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ment that "in each of the republics there is a Consul General, whose headquarters are in the capitol (*sic*)," and that "the consular service serves the Bureau of Foreign Commerce." A somewhat more important defect, perhaps, is the failure to distinguish more clearly between the functions of the export commission houses and the manufacturers' agents. These, however, are all of minor importance and do not weigh heavily against the general excellence in the conception and handling of the whole subject.

The greatest present obstacle to the increase of our trade relations with Latin America is not the lack of American banks or ships or other facilities, but the ignorance of the individual exporter as to what facilities actually exist and how to use them properly. All that can be done by governmental agencies toward making the trade channel smoother will not have a great effect until the manufacturer himself learns how to carry on his Latin American business intelligently. For doing away with the many hampering conditions and injudicious methods that exist at present in our export trade with Latin America, it is doubtful whether there is a better book available than this by Mr. Filsinger. It would certainly pay every prospective exporter to have a copy not in his library but on his desk for constant reference and study.

E. E. PRATT.

*Marketing Perishable Farm Products.* By ARTHUR B. ADAMS. Columbia University Studies in History, Economics and Public Law, Vol. LXII, No. 170. (New York: Longmans, Green and Company. 1916. Pp. 180. \$1.50.)

In this work the author makes a careful investigation of the methods of marketing perishable farm products, a field that is comparatively new. The scope of the work is indicated by the following chapter headings: Character and Significance of the Problem, The Present System of Marketing Perishables, Why the System is a Burden to Society, Reform of the Marketing Processes or Machinery, Reduction of Costs of Performing the Marketing Processes, and Reduction of the Burdens of Marketing by Changing the Nature of the Goods and Area of Production.

According to the conclusions of this author the present marketing processes are all necessary. But while such popular reforms as direct marketing from producer to consumer are found to be impossible even by the most successful growers' organizations, still he shows that reform of the agencies that operate existing market-

ing machinery is needed. The price of a product to the consumer has been increasing faster than the price to the farmer. The marketing cost represented by the differences between these two prices has thus been increasing. The cost of marketing perishables is greater in the United States than in Europe, where the farmer receives more and the consumer pays less. At the same time the purchasing power of the farmer and wage-earner has been decreasing. Hence the demand in the United States for reform in the marketing of farm products is becoming widespread and insistent.

In thus stating the problem it seems that the author must realize that he is dealing with a question of the distribution of wealth; that is, with the method of its apportionment among those who produce and handle farm products. But he considers marketing as entirely a part of production. In his review of the present system of marketing and in his analysis of its cost he dwells only upon activities which are mechanically necessary to put goods in the hands of the consumer. Such processes as grading, packing, transporting, storing farm products, assembling and dividing carload lots for individual consumption, whatever, in fact, is necessary for their full utilization are productive processes. But "plaiting" a basket of strawberries or "facing" a box of apples, "plugging" a car of wheat, "treating" wheat, local price cutting to drive out competitors, division of territory or coöperation to maintain prices among buyers, the purchase of goods on a rising market by commission merchants, or falsely quoting the prices prevailing upon a market, misrepresentation of the grade and condition of goods upon arrival, destroying products or storing them to prevent depression of prices—all of these practices are phenomena of common notoriety, yet they receive scarcely any attention in the chapter descriptive of the present system. All business activities which are calculated to affect prices and profits, but which are not socially necessary for the efficient utilization of goods, should be included under the head not of production but of distribution. Inasmuch as a large part of the activities of business men affects only the per cent of the consumer's dollar which the handler of farm products shall obtain, and in no wise adds to the mechanical efficiency of getting a product from the soil to the consumer, marketing is essentially a part of distribution as well as of production.

Again, when the author attempts to show what determines

prices, he treats the whole subject as settled. He has no questions to solve. He shows, according to traditional theory, how prices are determined by supply and demand.

Chiefly on the basis of traditional theory, but partly on that of the phenomena of new conditions, which the author is passing in review, he proceeds to consider possible improvements in the methods of production. But no consistent devotee of the supply and demand theory should depart from a laissez-faire policy; that is, from the assumption of the sufficiency of free competition to regulate prices without the interference of any government aid. As the passage of the various laws to regulate railroad transportation has marked a decline in the assumption of the sufficiency of free competition to regulate railroad charges, and the relationship between producers, manufacturers, shippers, and consumers, so the universal establishment of municipal, state, and federal departments of markets, which this author recommends, will ultimately mean a death blow to this theory. He says that the establishment of such agencies is necessary "to regulate the local and the state trade" in farm products, "to improve marketing and reduce its costs." Any admission of a necessity for reform of any kind is a departure from the traditional assumption of the sufficiency of supply and demand to determine all prices.

Perishable goods have not, in the self-evident fashion assumed by those who have held the supply and demand brief, reached the place where they would command the best price. Mr. Adams does not at this point diverge from traditional economic theory, but he points out a situation which is not in accord with the usual economic assumptions. He shows that there may be an ample demand, and yet a part of the supply of the goods may either rot on the farm or sell for less than the cost of their production; that prices may fluctuate widely on the same market because of the alternation of glut and scarcity, and between markets for lack of sufficient information and marketing facilities; and that prices may be low at one place and high at another at the same time. Thus the situation he describes does not indicate that there is any tendency toward one market price as has been commonly assumed. Consumers, he states, do not necessarily benefit from periods of low wholesale prices: wholesale prices vary closely according to supply and demand; but retailers are inclined to maintain customary prices; producers lose by fluctuating prices, but consumers do not correspondingly gain by them.

To remedy the admitted defects in this situation the author recommends that the federal Office of Markets should establish uniform grades and standards as an essential basis for reporting shipments from producing centers, receipts and prices at leading markets. Municipal markets should regulate retailers' business in regard to weights, measures, and soundness of the goods sold, and should help collect and publish market quotations. State departments of markets should help enforce standard grades and packages, collect and help distribute market news service. The federal Office of Markets should be the clearing house for gathering and distributing market information. In this way the supply of farm products could be made more efficient. Then this system, the author adds, should be supplemented by regulation, by the same authorities, of commission men, brokers, car-lot dealers, and retailers, to prevent "misquoting of prices, false reports as to condition of goods upon arrival, bogus sales, cornering of the markets and other unfair practices." The same departments should help farmers and shippers to present all valid complaints before state and federal railroad commissions. These agencies should also be authorized to regulate refrigeration, both stationary and in transit, and terminal facilities generally.

Mr. Adams goes farther in recommending government aid than many authorities—Mr. Weld, for instance, in his work on *The Marketing of Farm Products*; but not so far as Mr. Elwood Mead, who has the Australian and European situation in mind. According to the latter authority, investigation and publicity through bulletins put the responsibility on the farmer and local shipper, but may leave them as helpless as before unless the government gives them more substantial aid. It might be remarked that, while some in the United States recognize that individualistic competition should be and is being supplanted by organization in most industries, few realize that the government will have to give support both to farmers and consumers if they are to deal at all on a par with large capitalistic organizations. To be consistent there will have to be a complete abandonment of the laissez-faire doctrine, not only upon the part of those who advocate organization in all industries and of consumers generally, but also upon the part of those who are recommending government aid. Moreover, it will be found that government aid by court fines is accomplishing nothing constructive. Mr. Adams is to be complimented for

recommending a constructive program, part of which has already been put into effect.

WILLIAM R. CAMP.

*North Carolina Agricultural Experiment Station.*

NEW BOOKS

BERROGAIN, C. *L'expansion du commerce extérieur et l'organisation bancaire.* (Paris: Delagrave. 1916. Pp. 214. 2.50 fr.)

BROWN, H. G. *Principles of commerce. A study of mechanism, the advantages, and the transportation costs of foreign and domestic trade.* (New York: Macmillan. 1916. Pp. xxiii, 207. \$1.75.)  
To be reviewed.

BYERS, N. R. *World commerce in its relation to the British empire.* (London: King. 1916. 1s. 3d.)

JUDSON, J. *Trade after the war; the British machine tool industry.* (London: Judson-Jackson Co. 1916. Pp. 30. 2d.)

JUGLAR, C. *A brief history of panics and their periodical occurrences in the United States.* Third edition. Translated and edited with an introduction and brought down from 1889 to date by DE COURCY W. THOM (New York: Putnams. 1916. Pp. viii, 189. \$1.00.)

Probably no book on business cycles has had a wider circulation in the United States than Mr. Thom's adaptation of Juglar. The present edition differs from its predecessors by continuing the historical sketch of American "panics" from 1891 to 1914. Mr. Thom credits us with having had panics not only in 1893 and 1907, but also in 1897 (which was really a year of business revival), 1903, and 1913. What is worse, he credits France and England with having had panics "approximately" in each of these years (p. 20). This opinion rests not on study of business conditions in the three countries, but on a misuse of the term "panic," and on a mistaken notion that panics are "practically simultaneous" in Europe and America. As so often in this field, the theory is not made to fit the facts, but the facts to fit the theory. W. C. M.

LAMBERT, H. *International morality and exchange.* (London: Allen & Unwin. 1916. Pp. 40. 6s.)

NORTON, T. H. *Dyestuff situation in the United States.* Special agents series no. 111. (Washington: Dept. of Comm. Bureau of Foreign and Domestic Comm. 1916. Pp. 19.)

WENDEL, H. F. *Wendel's up to date list of export commission houses in the United States.* (New York: H. F. Wendel. 1916. Pp. 33. \$10.)

*Business and Europe.* (Boston: National Shawmut Bank. 1916. Pp. 17.)

*European economic alliances. A compilation of information on inter-*